

SECRET

OXG - 0368

9 March 1960

MEMORANDUM FOR : Deputy Director (Plans)

THROUGH : Acting Chief, DPD []

SUBJECT : OXCART - Additional Information Provided by
Minneapolis-Honeywell

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1. [] of the Minneapolis-Honeywell Inertial Guidance Center telephoned the following information on 9 March, concerning the DD/P's request for amplification of the [] amount noted in Section II (1) of the price history paper of bids submitted by [] on 4 March, a copy of which is attached:

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"In quantities of 25, as originally bid, we had included [] per system of engineering so that fabrication of those systems amounted to [] per system. We assumed that delivery of 25 systems would be delayed by two years and that we would be in the second cycle of a production learning curve at the time deliveries started. We used a factor of .725 to represent the learning curve effect (two cycles). Dividing this out to get present prices of fabrication gives [] per system in quantities of 24. About [] of design and development per system results in the []"

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2. Though [] conjectured, at the 4 March meeting with the DD/P, that perhaps [] may have been the price paid for a 30-pound weight reduction in the system, [] reported on 9 March that no factor for reduced weight was reflected in the [] amount noted in Section II (1) of attachment, i.e., the weight reduction of 30 pounds, due to the availability of a lighter computer, caused no increase in price.

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3. [] will confirm the foregoing in a letter. However, [] hopes that the DD/P has sufficient information to render a decision in view of the pressure on Minneapolis-Honeywell to get on with the program in order to meet its delivery schedule.

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JOHN PARANGOSKY

Deputy Chief, Development Branch
DPD-DD/P

Attachment:

N-H Price History dtd 3 Mar 1960

Distribution:

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ORIGINAL DOCUMENT MISSING PAGE(S):

Attachments